



**FIRST ORENADA
MINES LIMITED**

Leo Brossard

(NO PERSONAL LIABILITY)

ANNUAL REPORT 1972



**BROSSARD
GROUP**

FIRST ORENADA MINES LIMITED

(No Personal Liability)

Directors

JACQUES ANGERS, C.A., *Mount-Royal, Que.*

LEO BROSSARD, M.Sc., Eng., *St-Laurent, Que.*

ROLAND DUFOUR, B.Comm., *Montreal, Que.*

Col. M.W. MacDOWELL, *Brockville, Ont.*

RICHARD MONETTE, R.I.A., *Contrecoeur, Que.*

Officers

LEO BROSSARD, President

ROLAND DUFOUR, Vice-President

RICHARD MONETTE, Secretary-Treasurer

Transfer Agent and Registrar

GUARANTY TRUST COMPANY OF CANADA, *Montreal and Toronto*

Listed

CANADIAN STOCK EXCHANGE

TORONTO STOCK EXCHANGE

Auditors

McDONALD, CURRIE & Co., *Montreal*

Head Office

360 ST. JAMES STREET, SUITE 1406, MONTREAL, QUEBEC

Field Office

153-A PERRAULT AVENUE, VAL D'OR, QUEBEC

Directors' Report to the Shareholders

We are pleased to submit herewith your Company's financial statements for the fiscal year ended December 31st 1972.

During this period, geophysical surveys and a limited amount of diamond-drilling were carried out on your Company's property in Bourlamaque township. This 47-claim group covering an area of 1824 acres is now comprised in a solid block of 227 claims held by various companies of the Brossard Group and referred to as the "Bourlamaque Project".

Following a Turam electromagnetic survey completed in February 1972 on a strip of ground straddling the First Orenada-Ducros boundary, four holes were drilled by your Company and two additional joint borings were put down by First Orenada and Ducros along their common boundary. One vertical hole drilled on First Orenada ground near the south contact of the Centerpost intrusive mass encountered continuous mineralization of the porphyry copper type over a length of 471 feet which averaged 0.14% copper with traces of molybdenite including 125 feet of 0.25% copper; in addition, two lower sections averaged 0.38% copper over 30.5 feet and 0.17% copper over 37 feet respectively.

From August to October 1972, a deep penetration induced polarization survey was performed on the northern portion of your Company's property as well as on most of the other groups involved in the Bourlamaque Project. In February and March of this year, two holes totalling 1886 feet were drilled by your Company in a program carried out jointly with Ducros Mines Limited.

Two gold-bearing zones are known to occur on your property in the vicinity of the Cadillac Break and may warrant further investigation in view of the recent increase in the price of gold.

A substantial amount of additional exploration is contemplated on the Bourlamaque Township property both for gold and base metals. It is not expected that your Company's working capital, which at December 31st 1972 stood at approximately \$150,000, will be sufficient to cover the anticipated program and negotiations are under way to obtain additional funds.

On behalf of the Board of Directors.

Montreal, April 20th 1973.

LEO BROSSARD
President

Balance Sheet

as at December 31, 1972

ASSETS

	1972	1971
CURRENT ASSETS		
Cash	\$ 1,117	\$ 1,828
Term deposits.....	155,000	220,000
	<u>156,117</u>	<u>221,828</u>
INVESTMENTS IN SHARES OF OTHER MINING COMPANIES - at market value.....		636
MINING PROPERTIES - at cost (notes 1 and 2).....	50,115	50,115
DEFERRED EXPENDITURES - at cost (note 2).....	552,793	484,864
	<u>\$ 759,025</u>	<u>\$ 757,443</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	5,562	530
Due to an affiliated company		3,065
	<u>5,562</u>	<u>3,595</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 3)

Authorized - 5,000,000 shares of the par value of \$1 each		
Issued and fully paid - 3,930,011 shares	3,930,011	3,930,011
Discount on shares	3,356,100	3,356,100
	<u>573,911</u>	<u>573,911</u>

CONTRIBUTED SURPLUS - arising on the re-organization of capital.....

526,227	526,227
<u>1,100,138</u>	<u>1,100,138</u>

DEFICIT	346,675	346,290
	<u>753,463</u>	<u>753,848</u>

SIGNED ON BEHALF OF THE BOARD

LEO BROSSARD, *Director*

ROLAND DUFOUR, *Director*

\$ 759,025 \$ 757,443

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of First Orenada Mines Limited (no personal liability) as at December 31, 1972 and the statements of deficit, deferred expenditures and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1972 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

MONTREAL, Quebec,
January 5, 1973

MCDONALD, CURRIE & CO.
Chartered accountants

**STATEMENT OF DEFERRED EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1972**

	1972	1971
BALANCE - BEGINNING OF YEAR	\$ 484,864	\$ 483,337
EXPLORATION		
Geophysical and geological surveys.....	22,128	15
Diamond drilling and assaying	22,817	
Taxes on claims	459	1,491
Draughting and mapping.....	3,268	
Transportation and travelling.....	2,347	
Engineering and consulting fees.....	10,940	3,177
Rent and office expenses.....	440	
	62,399	4,683
Deduct: Amount written off on abandonment of claims		11,009
	62,399	(6,326)
	547,263	477,011
ADMINISTRATIVE AND GENERAL		
Rent	962	
Taxes and licenses.....	240	60
Transfer agent and registrar fees	1,205	687
Security registration fees	356	310
Legal and audit	7,991	1,150
Postage and office supplies	493	15
Stationery and printing.....	723	1,309
Office salaries	4,106	
Travel expenses.....	492	715
Telephone and telegraph.....	299	92
Administration fees	1,200	2,515
General expense.....		8
Directors' fees.....		1,000
	18,067	7,861
INTEREST EARNED	12,537	8
	5,530	7,853
BALANCE - END OF YEAR	\$ 552,793	\$ 484,864

**STATEMENT OF DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 1972**

	1972	1971
BALANCE - BEGINNING OF YEAR	\$ 346,290	\$ 324,278
Loss on sale of investments.....	385	400
Adjustment of investments to market value.....		(289)
Mining claims - written off.....		10,892
Deferred expenditures thereon		11,009
	385	22,012
BALANCE - END OF YEAR	\$ 346,675	\$ 346,290

FIRST ORENADA MINES LIMITED

STATEMENT OF SOURCE AND USE OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1972

	1972	1971
SOURCE OF FUNDS		
Issue of shares.....	\$	\$ 225,000
Net proceeds from sale of investments.....	251	2,215
	<u>251</u>	<u>227,215</u>
USE OF FUNDS		
Deferred expenditures - net	67,929	12,536
INCREASE (DECREASE) IN WORKING CAPITAL	(67,678)	214,679
WORKING CAPITAL - BEGINNING OF YEAR	218,233	3,554
WORKING CAPITAL - END OF YEAR	\$ 150,555	\$ 218,233

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1972

1. MINING PROPERTIES

These consist of a group of 47 claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec.

2. MINING PROPERTIES AND DEFERRED EXPENDITURES

The amounts shown for mining properties and deferred expenditures represent costs to date less amounts written off and do not necessarily reflect present or future values.

3. CAPITAL STOCK

Since its incorporation on November 21, 1938 the company has issued the following shares:

	Number of shares	Par value \$	Discount \$	Net \$
For cash	3,576,288	3,576,288	3,027,156	549,132
For services	41,223	41,223	35,194	6,029
For mining claims	312,500	312,500	293,750	18,750
	<u>3,930,011</u>	<u>3,930,011</u>	<u>3,356,100</u>	<u>573,911</u>

4. COMPARATIVE FIGURES

Certain figures in the statement of deferred expenditures for the year 1971 have been regrouped for comparative purposes.

